

Amendment No. 1 to SB0750

Lundberg
Signature of Sponsor

AMEND Senate Bill No. 750

House Bill No. 785*

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Section 4-49-104(e), is amended by deleting subdivision (1) and substituting instead the following:

(1)

(A) For fiscal year 2023-2024:

(i) Sixty percent (60%) of the privilege tax collected under this section must be distributed by the council to the state treasurer for deposit into the promising futures account administered by the department of human services to provide funding for the promising futures program established in § 49-1-1111(k); and

(ii) Twenty percent (20%) of the privilege tax collected under this section must be distributed by the council to the state treasurer for deposit into the lottery for education account created under § 4-51-111.

(B) For fiscal year 2024-2025:

(i) Seventy percent (70%) of the privilege tax collected under this section must be distributed by the council to the state treasurer for deposit into the promising futures account administered by the department of human services to provide funding for the promising futures program established in § 49-1-1111(k); and

(ii) Ten percent (10%) of the privilege tax collected under this section must be distributed by the council to the state treasurer for deposit into the lottery for education account created under § 4-51-111.

(C) For fiscal year 2025-2026 and each fiscal year thereafter, eighty percent (80%) of the privilege tax collected under this section must be distributed by the council to the state treasurer for deposit into the promising futures account administered by the department of human services to provide funding for the promising futures program established in § 49-1-1111(k).

SECTION 2. Tennessee Code Annotated, Title 49, Chapter 1, Part 11, is amended by adding the following as a new section:

49-1-1111. Scholarship program for children to participate in high-quality early care and learning programs.

(a) As used in this section, "high-quality early care and learning program" means:

(1) A child care agency, licensed by the department of human services pursuant to title 71, chapter 3, part 5, that meets the high-quality qualifications as determined by the department of education pursuant to subsection (c); and

(2) A public or private school that provides early care and learning programs that meet the high-quality qualifications determined by the department of education pursuant to subsection (c).

(b) The department of human services, in consultation with the department of education, shall create and, by July 1, 2024, implement the promising futures program to provide scholarships to assist parents and legal guardians of children who are not school age to develop early language and literacy skills in high-quality early care and learning programs.

(c) The state board of education, in consultation with the department of education, shall promulgate rules to establish the qualifications for a high-quality early

care and learning program that include, but are not limited to, qualifications for high-quality teachers and assistant teachers, high-quality instruction, and high-quality environments. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(d) To be eligible to receive a promising futures scholarship, a parent's or legal guardian's child must:

(1) Be no less than six (6) weeks of age and not eligible to attend a public school pursuant to § 49-6-3001;

(2)

(A) Be a member of a household with an annual income for the previous year that does not exceed the state median income;

(B) Reside with a foster parent as defined in § 37-2-414 or an adoptive parent as defined in § 36-1-102;

(C) Be a homeless child or youth as defined in § 49-50-1701; or

(D) Be a child in custody of the department of children's services;

(3)

(A) Reside with a parent or legal guardian who has primary responsibility for care and control of the child and who is employed and works more than thirty (30) hours per week or is enrolled in and attending an eligible postsecondary education program; or

(B) Reside in a household with two (2) parents or legal guardians who are each either employed and work more than thirty (30) hours per week or are enrolled in and attending an eligible postsecondary education program;

(4) Be accepted to a high-quality early care and learning program; and

(5) Be a citizen of this state.

(e) For purposes of creating and implementing the promising futures program, the department of human services shall utilize its existing infrastructure and systems to

- (1) Review and approve or deny promising futures scholarship applications;
- (2) Determine a child's eligibility to receive a scholarship in accordance with subsection (d);
- (3) Verify income for purposes of subdivision (d)(2)(A);
- (4) Pay scholarship funds directly to the high-quality early care and learning program in which the child who received the scholarship is enrolled;
- (5) Implement a sliding fee scale for parent co-payments;
- (6) Implement a waitlist process if the department receives more applications for children who meet the eligibility requirements in subsection (d) than the amount of scholarships for which funding is available in the promising futures account;
- (7) Ensure that each child who receives a scholarship continues to meet the requirements in subsection (d);
- (8) Establish the number of days a child who receives a scholarship must attend a high-quality early care and learning program;
- (9) Ensure that each child who receives a scholarship attends a high-quality early care and learning program for the number of days established pursuant to subdivision (e)(8);
- (10) Receive and process applications from high-quality early care and learning programs seeking to participate in the promising futures scholarship program;
- (11) Require a high-quality early care and learning program that participates in the promising futures scholarship program to sign assurances that

the high-quality early care and learning program agrees to adhere to the rules promulgated by the department of education pursuant to subsection (c); and

(12) Implement, with training and guidance from the department of education, a process to ensure high-quality early care and learning programs participating in the promising futures scholarship program are adhering to the rules promulgated by the state board of education pursuant to subsection (c).

(f) The amount of a promising futures scholarship is determined annually by mutual agreement between the departments of education and human services; provided, that:

(1) In the first year of the promising futures program the amount of a promising futures scholarship shall not exceed four thousand five hundred dollars (\$4,500) per child; and

(2) The promising futures scholarship amount shall not exceed the cost of tuition and mandatory fees charged by the high-quality early care and learning program, less any other available financial aid or parent co-pay, which must be credited first to the child's tuition and mandatory fees.

(g)

(1) There is created a task force composed of:

(A) One (1) staff member of the department of human services who is appointed by the commissioner;

(B) One (1) member who is appointed by the commissioner of human services;

(C) One (1) staff member of the department of education who is appointed by the commissioner; and

(D) One (1) member who is appointed by the commissioner of education.

(2) The task force shall:

(A) Create marketing and enrollment goals for the promising futures program;

(B) Create a vision for a user-friendly, web-based "finder" tool to help parents find available high-quality early care and learning program options;

(C) Create a request for proposal for the marketing and outreach functions, including the user-friendly, web-based "finder" tool;

(D) Select vendors to achieve the marketing and enrollment goals created by the task force pursuant to subdivision (g)(2)(A); and

(E) Evaluate the progress of the vendors selected pursuant to subdivision (g)(2)(D) at least quarterly.

(3) The task force members' terms begin on July 1, 2023, and expire on June 30, 2025.

(h) The department of human services may suspend or terminate a parent's or legal guardian's participation in the promising futures program if the department determines that the child's parent or legal guardian failed to comply with this section.

(i) If a high-quality early care and learning program knowingly uses promising futures scholarship funds with the intent to defraud the promising futures program, then the department of human services or the department of education may refer the matter to the appropriate enforcement authority for criminal prosecution.

(j) A promising futures scholarship fund:

(1) Constitutes a scholarship provided for early care and learning for a child; and

(2) Does not constitute income of a parent or legal guardian of a child under title 67, chapter 2 or any other state law.

(k) There is created within the state treasury a "promising futures account."

Amounts remaining in the account at the end of each fiscal year must not revert to the

general fund. Money in the account must be invested by the state treasurer pursuant to title 9, chapter 4, part 6 for the sole benefit of the account. All earning attributable to such investments must be credited to the promising futures account.

(l) The department of human services and the department of education may use funds in the promising futures account for expenses incurred by the department due to the promising futures program's administration, marketing expenses, and evaluation; provided, that the expenses shall not exceed:

(1) Two and one-half percent (2.5%) of the total amount appropriated for the promising futures program in the 2023-2024 fiscal year for the department of human services;

(2) Two and one-half percent (2.5%) of the total amount appropriated for the promising futures program in the 2023-2024 fiscal year for the department of education;

(3) One and one-half percent (1.5%) of the total amount appropriated for the promising futures program in a fiscal year after the 2023-2024 fiscal year for the department of human services; or

(4) One and one-half percent (1.5%) of the total amount appropriated for the promising futures program in a fiscal year after the 2023-2024 fiscal year for the department of education.

(m) The department of human services, in consultation with the department of education, may promulgate rules necessary to effectuate the purposes this section. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 3. This act is not an appropriation of funds, and funds shall not be obligated or expended pursuant to this act unless the funds are specifically appropriated by the general appropriations act.

SECTION 4. The headings in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 5. This act takes effect upon becoming a law, the public welfare requiring it.